

An architectural rendering of a modern hotel building with a curved facade and many balconies. In the foreground, there are several palm trees and a large, yellow, abstract sculpture that looks like a stylized tree or coral. The text is overlaid on the image.

MIAMI BEACH CONVENTION CENTER HEADQUARTER HOTEL

Portman Holdings Proposal

May 20, 2015

REQUESTED COMMISSION ACTION

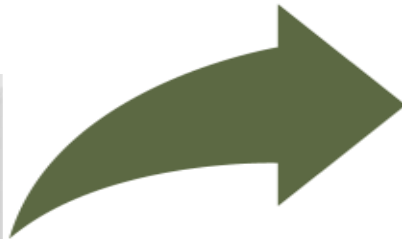
Request approval to enter into negotiations with Portman Holdings related to RFP No. 2015-103-ME related to the Convention Headquarter Hotel Developer

CITY REVENUE IMPACT

As Parking Lot

\$263,700

2014 parking meter
and
valet concessions
revenues



As Hotel

\$11,878,400

Operating year 4 (2022)
City leases and taxes



TOTAL CITY FINANCIAL IMPACT

	Over 30 Years		Over 99 Years	
	Total	NPV @ 5%	Total	NPV @ 5%
Hotel Lease				
Minimum Fixed Rent	\$91m	\$36m	\$708m	\$60m
Variable Rent	89m	35m	705m	59m
Percentage Rent (4% Gross)	180m	71m	1,414m	119m
Taxes				
CRA City (thru 3/2044)	34m	16m	34m	16m
CRA County (thru 3/2044)	26m	12m	26m	12m
New Resort Tax (Hotel 1%)	30m	12m	229m	20m
Resort Tax (Hotel 3%, F&B 2%)	118m	48m	902m	79m
CDT Allocation (thru 2044)	36m	16m	36m	16m
Property Taxes	13m	4m	326m	16m
Subtotal	258m	108m	1,553m	159m
CITY TOTAL	\$438m	\$178m	\$2,967m	\$278m

Sources: Portman proforma, City of Miami Beach, SAG

TOTAL FINANCIAL IMPACT

	Over 30 Years		Over 99 Years	
	Total	NPV @ 5%	Total	NPV @ 5%
CITY TOTAL	\$438m	\$178m	\$2,967m	\$278m
COUNTY				
Convention Devl. Tax (3%)	54m	20m	650m	44m
Local Option Sales Tax (1%)	44m	18m	336m	29m
Property Taxes	12m	4m	266m	14m
Subtotal County	110m	42m	1,252m	87m
SCHOOLS (Property Tax)	60m	24m	453m	40m
OTHER PROPERTY*	7m	3m	55m	5m
STATE SALES TAX (6%)	264m	107m	2,019m	176m
TOTAL	\$878m	\$354m	\$6,746m	\$586m

* Regional and Children's Trust portion of property tax
Sources: Portman proforma, City of Miami Beach, SAG

EVALUATION COMMITTEE SCORING OF SUBMITTAL

Criteria	Potential Score	Committee Member Scoring			Average Score
		#1	#2	#3	
Hotel finance plan and Proposer financial capabilities	30	28	25	25	26
Proposed financial and other terms of the Development and Ground Lease Agreement	25	22	25	23	23
Hotel program, conceptual design and preliminary development budget	20	18	15	18	17
Proposer experience and qualifications	10	10	10	10	10
Design Team experience and qualifications	10	9	10	10	10
Organizational plan	5	5	5	5	5
Total	100	92	90	91	91

CALENDAR

- May 20 – Authorization to negotiate
- June 3 – Finance Committee
- July 8 – First Reading (Lease & Referendum Language)
- July 29 – Second Reading (Lease & Referendum Language)
- November 3 – Hotel Special Election

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